

GRD to float Oceana Gold for its New Zealand gold interests

24 January 2004 - Perth-based company GRD NL is to recapitalise its gold mining business, which operates totally in New Zealand through subsidiary GRD Macraes Ltd.

GRD will float the gold operations under a separate company Oceana Gold Ltd which will comprise all of the assets and undertakings of GRD Macraes.

GRD says the new company will facilitate the increase of Oceana Gold's production base from current levels of approximately 170,000 oz a year of gold to 350,000-400,000 oz a year through the development of the Reefton gold project and the Frasers underground mine at the Macraes project.

Oceana Gold will also undertake a significant drilling programme at Sams Creek, targeted at delineating an intrusion related gold system.

GRD Macraes chief operating officer Len Jubber said the creation of Oceania Gold – which will rank as one of the top five gold mining businesses in Australasia – was the move the New Zealand business was waiting for.

The float is expected to raise approximately A\$100 million of which A\$50 million will comprise new equity in Oceana Gold and the balance will be the sell down of part of GRD's interest.

GRD shareholders will be given a priority entitlement to subscribe for Oceana Gold shares.

Following the capital raising, sell down and return to its shareholders, GRD is expected to hold 60% of the capital of Oceana Gold, with cornerstone investors holding 12.5%, public (including priority allocation for GRD shareholders) 12.5% and GRD shareholders (buy back/distribution) 15%.

The board of Oceania Gold will be chaired by the current chairman of GRD New Zealand, Kerry McDonald. A new CEO will be appointed, together with three independent directors and one GRD representative on the board, chairman Brettney Fogarty.

GRD currently anticipates the initial public offer and buy-back offer will open in mid-February, 2004, with listing on the Australian and New Zealand stock exchanges by mid-March.